

Town of Limon, Colorado

Schedule of Findings and Questioned Costs for the Year Ended December 31, 2013

1. Summary of Auditor's Results

Type of report issued on the financial statements:	Unmodified
Material weaknesses in financial reporting internal control noted:	See Section 2
Significant deficiency(s) identified that are not considered to be material weaknesses in financial reporting:	None
Material noncompliance noted:	None
<i>Federal Awards:</i>	
Material weaknesses in internal control over major programs:	None
<i>Significant deficiency(s) identified that are not considered to be material weaknesses over major programs:</i>	None
<i>Type of report issued on compliance for major programs:</i>	Unmodified
Audit findings required to be reported in accordance with Circular A-133, Section .510(a):	None

The following programs are considered to be major:

CFDA Number	Name of Federal Program or Cluster
93.600	U.S. Department of Health and Human Services, Head Start

Dollar threshold used to distinguish Type A and Type B programs:	\$300,000
Risk type qualification:	Low-risk

2. Findings relating to the financial statements which are required to be reported in accordance with Government Auditing Standards.

Material Weakness

2013-01 Preparation and review of Schedule of Expenditures of Federal Awards

Condition: The Town incurred expenditures in 2013 for highway construction and repair in the amount of \$169,193. These funds were identified as federal award expenditures but were not reflected in the Schedule of Expenditures of Federal Awards in 2013.

Criteria: A good system of internal control over financial reporting includes a detailed review of the Schedule of Expenditures of Federal Awards.

Context: This finding impacts the Town's ability to properly report federal expenditures.

Effect: The Schedule of Expenditures of Federal Awards may be incomplete or misstated.

Cause: The Town does not have an internal control procedure in place to perform a detailed secondary review of the Schedule of Expenditures of Federal Awards.

Recommendation: It is recommended that a procedure be implemented for a secondary review of the Schedule of Expenditures of Federal Awards be performed, in order to detect errors in reporting.

Response: The Town will assign another individual with knowledge of federal award activities, other than the preparer, to perform a detailed review of the Schedule of Expenditures of Federal Awards.

3. Findings and questioned costs for Federal Awards

None

4. Summary Schedule of Prior Audit Findings

None